

**Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382**

Final

**AIR QUALITY PERMIT
Issued under 401 KAR 52:020**

Permittee Name: The Freeman Corporation
Mailing Address: P.O. Box 96
Winchester, Kentucky 40391

Source Name: The Freeman Corporation
Mailing Address: P.O. Box 96
Winchester, Kentucky 40391

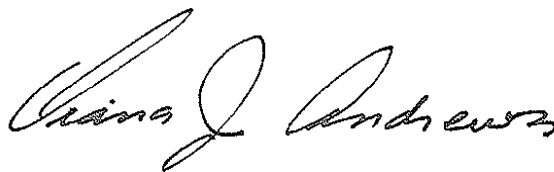
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Source A. I. #: 811
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Regional Office: Frankfort
643 Teton Trail, Suite B
Frankfort, KY 40601-1758
(502)564-3358

County: Clark

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Complete Date: April 27, 2006
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**John S. Lyons, Director
Division for Air Quality**

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Permit#	Type of Review	Log/AI#	Completed	Issued	Comment
V-03-043	Initial TV	54048	10/7/ 2001	5/21/2004	Initial Title V
V-03-043 Revision 1	Minor revision	811	3/6/06	6/15/2006	Installation of two cyclones EP45, EP46

SECTION A - PERMIT AUTHORIZATION

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto.

The permittee shall not construct, reconstruct, or modify any affected facilities without first having submitted a complete application and received a permit for the planned activity from the permitting authority, except as provided in this permit or in 401 KAR 52:020, Title V Permits.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by this Cabinet or any other federal, state, or local agency.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emission Unit 05 Lumber Yard Boiler

Description:

Maximum Rated Capacity: 4.0 mmBtu boiler
Fuel: Primary - 0.0039 million ft³/hr of natural gas burned
Secondary - 28.6 gallons/hr of distillate oil (No. 1 or No. 2)
Installation Date: 1989
Control Device: None

APPLICABLE REGULATIONS:

401 KAR 59:015, New indirect heat exchangers, applicable to an emissions unit with a capacity of less than 250 mmBtu/hr which commenced on or after April 9, 1972.

1. Operating Limitations:

None

2. Emission Limitations:

- a. Pursuant to KAR 59:015, particulate emissions shall not exceed 0.480 lb/mmBtu.
- b. Pursuant to 401 KAR 59:015, Section 4(2), emissions shall not exceed 20% opacity based on a six minute average, except that a maximum of 40% opacity, based on a six minute average, shall be permissible for not more than six consecutive minutes in any consecutive 60 minutes during cleaning the fire-box or blowing soot.
- c. Pursuant to KAR 59:015, sulfur dioxide emissions shall not exceed 2.29 lb/mmBtu.
- d. See Section D

Compliance Demonstration Method:

While burning natural gas, this unit is considered to be in compliance with the PM, SO₂, and opacity standards.

While burning distillate fuel oil, compliance will be demonstrated by the following methods:

- a. For compliance with the PM emission limit, an emission factor of 2.0016 lbs PM/1000 gallons of distillate oil burned shall be used, based on AP-42, Section 1.3 emission factors.
- b. For compliance with visible emissions limit, see Subsection 3, Testing Requirements and Subsection 4, Specific Monitoring Requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- c. Compliance with the sulfur dioxide standard shall be based on AP-42, Section 1.3 emission factors, and may be demonstrated by calculating sulfur dioxide emissions using the following formula:

$$\text{lbs SO}_2/\text{mmBtu} = (\text{142 lbs SO}_2/\text{1000 gallons} \times \text{percent sulfur in distillate fuel oil from each shipment of distillate fuel oil combusted, based on vendor certification}) \text{ divided by } 140 \text{ mmBtu/1000 gallons.}$$

3. Testing Requirements:

When the unit is burning distillate fuel oil, the permittee shall determine the opacity of emissions from the stack using U.S. EPA Reference Method 9 upon request by the Division.

4. Specific Monitoring Requirements:

- a. The permittee shall monitor the percent sulfur in each shipment of distillate fuel oil received, based on the certification from the fuel supplier, and use that parameter to determine compliance with the sulfur dioxide emission limit.
- b. The permittee shall monitor the amount of fuel combusted on a monthly basis.
- c. When burning distillate fuel oil, the permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If visible emissions from the stack are seen (not including condensed water vapor within the plume), then the opacity shall be determined by Reference Method 9. If emissions are in excess of the applicable opacity limit, then an inspection shall be initiated for any necessary repairs.

5. Specific Recordkeeping Requirements:

The permittee shall maintain records of the following:

- a. Certification from the fuel supplier of the sulfur content of distillate fuel oil of each shipment of fuel oil received.
- b. The amount of fuel combusted on a monthly basis.
- c. The weekly qualitative opacity readings from the stack.
- d. The opacity determined by Reference Method 9, when taken, and documentation of any repairs that were made due to any opacity reading, which exceeded the standard.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7, 8 and 9.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)**Emission Units 07 and 08 Veneer Units**

Installation Date: 1979

Descriptions:**Emission Unit 07 Veneer Clipping Lines #1, #2, and #3**

Veneer clipping lines #1, #2, and #3 consisting of the following equipment: (2) RFR side clippers; (1) Capital end clipper; (1) Capital side clipper; (1) Cremona side clipper; (2) Cremona end clippers; (1) Underground belt conveyor; (1) Above ground conveyor; (1) Infeed table; and (1) Capital hog/chipper.

Maximum Rated Capacity: 2.25 tons/hr of veneer clippings

Emission Unit 08 Dry Veneer Chipper

Capital hog/chipper

Maximum Rated Capacity: 1.67 tons/hr of veneer clippings

Control Device: Capture hoods and connection piping to an existing cyclone #1 at 4.0 tons/hr capacity with 77% collection efficiency for EU07 and EU08

APPLICABLE REGULATIONS:

401 KAR 59:010, New process operations, applicable to an emissions unit commenced on or after July 2, 1975

1. **Operating Limitations:** None

2. **Emission Limitations:**

- a. Pursuant to 401 KAR 59:010, Section 3(2), particulate matter emissions into the open air shall not exceed $[3.59(P)^{0.62}]$ lbs/hour, where P is the processing rate in tons/hour.
- b. Pursuant to 401 KAR 59:010, Section 3(1)(a), any continuous emissions into the open air shall not equal or exceed 20% opacity based on a six-minute average.
- c. See Section D

Compliance Demonstration Method:

- a. The following table of emissions factors shall be used to show compliance with the PM emission limit:

Emission Unit #	Post Control Emission Factor (lbs PM/ton of veneer clippings processed)
07	0.6
08	1.99

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- b. For compliance with visible emissions limit, see Subsection 3, Testing Requirements and Subsection 4, Specific Monitoring Requirements.

3. Testing Requirements:

The permittee shall determine the opacity of emissions from the stack using U.S. EPA Reference Method 9 upon request by the Division.

4. Specific Monitoring Requirements:

- a. The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If visible emissions from the stack are seen (not including condensed water vapor within the plume), then the opacity shall be determined by Reference Method 9. If emissions are in excess of the applicable opacity limit, then an inspection shall be initiated of control equipment for any necessary repairs.
- b. The permittee shall monitor the veneer clippings production rate and hours of operation on a monthly basis for each emission unit.

5. Specific Recordkeeping Requirements:

The permittee shall retain records of the following:

- a. The tons of veneer clippings produced and hours of operation shall be maintained on a monthly basis from each emission unit.
- b. Weekly qualitative opacity readings from each stack.
- c. The opacity determined by Reference Method 9, when taken, and documentation of any repairs that were made due to any opacity reading, which exceeded the standard.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7, 8 and 9.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

Emission Unit 09 – Indirect Heat Exchanger

Description:

North American Boiler, rated at 6.3 mmBtu/hr, burning natural gas only

Installed: April 30, 1979

APPLICABLE REGULATIONS:

401 KAR 59:015, New indirect heat exchangers, applicable to an emissions unit with a capacity of less than 250 mmBtu/hour which commenced on or after April 9, 1972.

1. **Operating Limitations:** None

2. **Emission Limitations:**

- a. Pursuant to KAR 59:015, particulate emissions shall not exceed 0.56 lb/mmBtu.
- b. Pursuant to 401 KAR 59:015, Section 4(2), emissions shall not exceed 20% opacity based on a six minute average, except that a maximum of 40% opacity, based on a six minute average, shall be permissible for not more than six consecutive minutes in any consecutive 60 minutes during cleaning the fire-box or blowing soot.
- c. Pursuant to KAR 59:015, sulfur dioxide emissions shall not exceed 3.0 lb/mmBtu.
- d. See Section D

Compliance Demonstration Method:

While burning natural gas, this unit is considered to be in compliance with the PM, SO₂, and opacity standards.

3. **Testing Requirements:** None

4. **Specific Monitoring Requirements:**

The permittee shall monitor the amount of natural gas combusted on a monthly basis.

5. **Specific Recordkeeping Requirements:**

The permittee shall maintain the records of the amount of natural gas combusted on a monthly basis.

6. **Specific Reporting Requirements:**

See Section F, Conditions 5, 6, 7 and 8.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emission Unit 10 Haul Roads and Log Yard

Description:

Paved and unpaved haul roads with unpaved log yard traveled over by loaders and log trucks

Installation Date: 1967

APPLICABLE REGULATIONS:

Regulation 401 KAR 63:010, Fugitive Emissions

1. Operating Limitations:

Pursuant to Regulation 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne. Such reasonable precautions shall include, when applicable, but not limited to the following:

- a. Application and maintenance of asphalt, oil, water, or suitable chemicals on roads, material stockpiles, and other surfaces which can create airborne dusts;
- b. Covering, at all times when in motion, open bodied trucks transporting materials likely to become airborne;
- c. The maintenance of paved roads in a clean condition; and
- d. The prompt removal of earth or other material from a paved street which earth or other material has been transported thereto by trucking or earth moving equipment or erosion by water.

Compliance will be demonstrated by the good operating procedures listed above and see Subsection 5, Specific Recordkeeping Requirements.

2. Emission Limitations:

Pursuant to Regulation 401 KAR 63:010, Section 3, discharge of visible fugitive dust emissions beyond the property line is prohibited.

Compliance Demonstration Method:

Compliance by good operating procedures, see Subsection 1, Operating Limitations.

3. Testing Requirements:

None

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

4. Specific Monitoring Requirements:

The permittee shall monitor the amount of raw materials and final products to estimate vehicle miles traveled for use in AP-42 emission calculations for paved and unpaved roadways (includes log yard).

5. Specific Recordkeeping Requirements:

- a. The permittee shall maintain records of the calculations to determine the fugitive emissions from paved and unpaved roads with all data used in the calculations. Emission calculations shall be based on the most current AP-42 emission factors for paved and unpaved roadways for that year.
- b. The permittee shall keep a log of the reasonable precautions taken to prevent particulate matter from becoming airborne on a weekly basis.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7, 8 and 9.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emission Units 11, 12, 13, and 15 Wood-fired Boilers

Descriptions:

Emission Unit 11 (11) Wickes wood-fired boiler #1

Maximum Rated Capacity: 12 mmBtu/hr
Installation Date: 1991
Control Device: Gravity collector

Emission Unit 12 (12) Wickes wood-fired boiler #2

Maximum Rated Capacity: 10 mmBtu/hr
Installation Date: 1991
Control Device: Gravity collector

Emission Unit 13 (13) Hurst wood-fired boiler #4

Maximum Rated Capacity: 28.7 mmBtu/hr
Installation Date: Proposed
Control Device: Multi-cyclone

Emission Unit 15 (15) Hurst wood-fired boiler #3

Maximum Rated Capacity: 28.7 mmBtu/hr
Installation Date: 1995
Control Device: Multi-cyclone

APPLICABLE REGULATIONS:

401 KAR 59:015, New indirect heat exchangers, applicable to an emissions unit with a capacity of less than 250 mmBtu/hr which commenced on or after April 9, 1972.

401 KAR 60:005, which incorporates by reference the federal regulation 40 CFR 60 Subpart Dc, Standards of performance for small industrial-commercial-institutional steam generating units, applies to each steam generating unit commenced after June 9, 1989 that has a maximum design heat input capacity between 10 mmBtu/hr and 100 mmBtu/hr.

1. Operating Limitations:

None

2. Emission Limitations:

- a. Pursuant to KAR 59:015, particulate emissions shall not exceed the following: 0.428 lb/mmBtu for Emission Unit 11; 0.397 lb/mmBtu for Emission Unit 12; 0.359 lb/mmBtu for Emission Unit 15; and 0.334 lb/mmBtu for proposed Emission Unit 13.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)**2. Emission Limitations (Continued):**

- b. Pursuant to 401 KAR 59:015, Section 4(2), emissions shall not exceed 20% opacity based on a six minute average, except that a maximum of 40% opacity, based on a six minute average, shall be permissible for not more than six consecutive minutes in any consecutive 60 minutes during cleaning the fire-box or blowing soot.
- c. Pursuant to KAR 59:015, sulfur dioxide emissions shall not exceed the following: 3.01 lbs/mmBtu for Emission Unit 11; 1.91 lbs/mmBtu for Emission Unit 12; 2.17 lbs/mmBtu for Emission Unit 15; and 1.89 lb/mmBtu for proposed Emission Unit 13.
- d. See Section D

Compliance Demonstration Method:

- a. The following table of emissions factors shall be used to show compliance with the PM emission limit:

Emission Unit #	Post Control Emission Factor (lbs PM/mmBtu)
11	0.275*
12	0.275*
13	0.200**
15	0.200**

* Post control emission factor from AP-42, Section 1.6.

** Post control emission factor from manufacturer testing of similar unit with multi-cyclone controls

- b. For compliance with visible emissions limit, see Subsection 3, Testing Requirements and Subsection 4, Specific Monitoring Requirements.
- c. Compliance with the sulfur dioxide standard shall be based on the AP-42, Section 1.6 emission factor of 0.025 lbs of SO₂/mmBtu for bark/bark and wet wood/wet wood-fired boiler.

3. Testing Requirements:

The permittee shall determine the opacity of emissions from each stack using U.S. EPA Reference Method 9 in accordance with Subsection 4b, Specific Monitoring Requirements.

4. Specific Monitoring Requirements:

- a. The permittee shall monitor the amount of wood material combusted from each wood boiler on a monthly basis.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

4. Specific Monitoring Requirements (Continued):

- b. The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If visible emissions from the stack are seen (not including condensed water vapor within the plume), then the opacity shall be determined by Reference Method 9. If emissions are in excess of the applicable opacity limit, then an inspection shall be initiated of control equipment for any necessary repairs.

5. Specific Recordkeeping Requirements:

The permittee shall retain records of the following:

- a. The hours of operation and the tons of wood material combusted from each emission unit shall be maintained on a monthly basis.
- b. Weekly qualitative opacity readings from each stack.
- c. The opacity determined by Reference Method 9, when taken, and documentation of any repairs that were made due to any opacity reading, which exceeded the standard.

6. Specific Reporting Requirements:

See Section F, Conditions 5, 6, 7, 8 and 9.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emission Unit 14	Two Flitch Sawplans and Two Debarkers
Emission Unit 19	Flitch Cut-off Saw
Emission Unit 20	Flitch Planing and Grooving
Emission Unit 26	Flitch Rip Saw
Emission Units 30, 31	Bolt Cut-off Saw and Round-up Lathe

Control Devices:

Hoods and connection piping to new cyclone #3 for EU 14b, EU 16, EU 18, EU 19, EU 20 with 77% collection efficiency

Descriptions:**Emission Unit 14 Two Flitch Sawplans and Two Debarkers**

Debarking outside and flitching inside

Maximum Rated Production: 3.16 tons/hr of sawdust or bark for each of the (4) pieces of equip.

Installation Date: 1991

Emission Unit 19 Flitch Cut-off Saw

Circular saw and conveyor

Maximum Rated Production: 3147 Doyle Footage/hr

Installation Date: 1991

Emission Unit 20 Flitch Planing and Grooving

Weber flitch planer, groover, and conveyor system

Maximum Rated Production: 3000 Doyle Footage/hr

Installation Date: 1991

Control Device: New cyclone #3, receiving particulates emissions from EU14, EU16, EU18, EU19, EU20

Emission Unit 26 Flitch Rip Saw

Freeman-built rip saw and underground conveyor

Maximum Rated Production: 2300 Doyle Footage/hr

Installation Date: 2000

Control Device: Indoors

Emission Unit 30 Bolt Cut-off Saw

Freeman-built cut-off saw, 72-inch

Maximum Rated Production: 7.214 tons/hr of sawdust

Installation Date: 1991

Control Device: Indoors

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)**Emission Unit 31 Round-up Lathe**

Freeman-built round-up lathe, debarker

Maximum Rated Production: 5.178 tons/hr of bark

Installation Date: 2000

Control Device: Indoors

APPLICABLE REGULATIONS:

401 KAR 59:010, New process operations, applicable to an emissions unit commenced on or after July 2, 1975

1. **Operating Limitations:** None

2. **Emission Limitations:**

- a. Pursuant to 401 KAR 59:010, Section 3(2), particulate matter emissions from each unit into the open air shall not exceed $[3.59(P)^{0.62}]$ lbs/hour, where P is the processing rate for each unit in tons/hour.
- b. Pursuant to 401 KAR 59:010, Section 3(1)(a), any continuous emissions into the open air shall not equal or exceed 20% opacity based on a six-minute average.
- c. See Section D

Compliance Demonstration Method:

- a. The following table of emissions factors shall be used to show compliance with the PM emission limit:

Emission Unit #	Post Control Emission Factor
14	3.16 lbs of PM/ton of sawdust or bark produced
19	0.0559 of PM/ton of sawdust/end slivers produced
20	0.668 lbs of PM/ton of planer shavings produced
26	1.99 lbs of PM/ton of wood chips produced
30	1.00 lbs of PM/ton of sawdust produced
31	1.5 lbs of PM/ton of bark produced

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- b. For compliance with visible emissions limit, compliance will be assumed for the units located in the veneer mill building and for the outside debarking, due to the veneer process of wetted the logs prior to the debarking.

Notes: Emissions from Emission Unit 26 include emissions from slicers and veneer chipper. Assume average density of 35 lbs/ft³ and 1 Doyle Footage = 0.00146 tons for emission calculations.

- 3. **Testing Requirements:** See Section G (d)- General Conditions

- 4. **Specific Monitoring Requirements:**

The permittee shall monitor the sawdust and/or Doyle Footage and/or bark production rate from each emission unit and the hours of operation on a monthly basis.

- 5. **Specific Recordkeeping Requirements:**

The permittee shall retain records of the production rate of sawdust and the production rate of bark from each emission unit and the hours of operation on a monthly basis.

- 6. **Specific Reporting Requirements:**

See Section F, Conditions 5, 6, 7, 8 and 9.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emission Unit 18

Skinning Line

Descriptions:

Air angle grinders and conveyor system

Maximum Rated Production: 3201 Doyle Footage/hr

Installation Date: 1967

Control Device: Indoors

APPLICABLE REGULATIONS:

401 KAR 61:020, Existing process operations for emission units commenced before July 2, 1975.

1. **Operating Limitations:** None

2. **Emission Limitations:**

- a. Pursuant to 401 KAR 61:020, particulate matter emissions into the open air shall not exceed $[4.10(P)^{0.67}]$ lbs/hour based on a three-hour average where P is the processing rate in tons per hour.
- b. Pursuant to 401 KAR 61:020, Section 3(1)(a), visible emissions from a control device or stack shall not equal or exceed forty (40) percent opacity, based on a six-minute average.
- c. See Section D

Compliance Demonstration Method:

For compliance with the PM emission limit, an emission factor of 0.106 PM/ton of material processed through the unit shall be used.

3. **Testing Requirements:** None

4. **Specific Monitoring Requirements:**

The permittee shall monitor the material processing rate and hours of operation on a monthly basis.

5. **Specific Recordkeeping Requirements:**

Records of material processed and hours of operation on a monthly basis shall be maintained.

6. **Specific Reporting Requirements:**

See Section F, Conditions 5, 6, 7, and 8.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emission Unit 40 **Sawdust Unloading from Truck into Silo**
Emission Unit 41 **Sawdust Unloading from Silo**
Emission Unit 42 **Veneer Chips Unloading from Storage to Boilers**

Descriptions

Emission Unit 40 Sawdust Unloading from Truck into Silo

Freeman-built hopper

Maximum Rated Production: 7.417 tons/hr of sawdust

Installation Date: 1997

Control Device: Partial containment

Emission Unit 41 Sawdust Unloading from Silo

Ladig silo and conveyors

Maximum Rated Production: 7.413 tons/hr of sawdust

Installation Date: 1997

Control Device: Partial containment

Emission Unit 42 Veneer Chips Unloading from Storage to Boilers

Freeman-built storage container and conveyors

Maximum Rated Production: 2.209 tons/hr of chips

Installation Date: 1997

Control Device: Partial containment

APPLICABLE REGULATIONS:

401 KAR 63:010, Fugitive Emissions

1. Operating Limitations:

Pursuant to 401 KAR 63:010, Section 3, no person shall cause, suffer, or allow any material to be handled, processed, transported, or stored; a building or its appurtenances to be constructed, altered, repaired, or demolished, without taking reasonable precaution to prevent particulate matter from becoming airborne. Such reasonable precautions shall include, when applicable, but not be limited to the following:

Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty materials, or the use of water sprays or other measures to suppress the dust emissions during handling.

2. Emission Limitations:

Pursuant to 401 KAR 63:010, Section 3, discharge of visible fugitive dust emissions beyond the property line is prohibited.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Compliance Demonstration Method:

Compliance by good operating procedures, see Subsection 1, Operating Limitations.

3. **Testing Requirements:** None
4. **Specific Monitoring Requirements:** None
5. **Specific Recordkeeping Requirements:** None
6. **Specific Reporting Requirements:**

See Section F, Conditions 5, 6, 7, 8 and 9.

SECTION C - INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to 401 KAR 52:020, Section 6. While these activities are designated as insignificant the permittee must comply with the applicable regulation and some minimal level of periodic monitoring may be necessary.

<u>Description</u>	<u>Generally Applicable Regulation</u>
1. Log Cooking Vats, sliced – 16	401 KAR 59:010
2. Log Cooking Vats, rotary – 17	401 KAR 59:010
3. Hot Box Warmers – 21	NA
4. Slicer #3 -22	401 KAR 59:010
5. Slicer #4 – 23	401 KAR 59:010
6. Slicer #5 – 24	401 KAR 59:010
7. Slicer #1 – 25, <i>EU 21-EU 25 routed to new cyclone #4 with 77% collection efficiency</i>	401 KAR 59:010
8. Slicer #2 – 25a Fezer Model FR400	401 KAR 59:010
9. Slicer #6 – 25a Fezer Model FV400	401 KAR 59:010
10. Weber Dryer #1 – 27	401 KAR 59:010
11. Babcock Dryer #2 – 28	401 KAR 59:010
12. Omeco Dryer #3 – 29	401 KAR 59:010
13. Fezer Dryer (steam) – 29a	401 KAR 59:010
14. Coe 4-ft lathe, and rotary clipping, and Black Clawson chipper – (EU32, 33, and 34) <i>routed to existing cyclone #2 with 77% collection efficiency</i>	401 KAR 59:010
15. Cremona Dryer – 35	401 KAR 59:010
16. Coe M62 Dryer – 36	401 KAR 59:010

SECTION D - SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS

1. As required by Section 1b of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26; compliance with annual emissions and processing limitations contained in this permit, shall be based on emissions and processing rates for any twelve (12) consecutive months.
2. Particulate PM/PM₁₀ and sulfur dioxide emissions, as measured by methods referenced in 401 KAR 50:015, Section 1, shall not exceed the respective limitations specified herein.
3. As a self imposed restriction to preclude the applicability of 401 KAR 51:017, the sum of all non-fugitive PM emissions from all existing sources prior to the application completion date of October 7, 2001 (emission units 05, 07-12, and 14-35) shall not exceed 240 tons/yr during any consecutive twelve (12) month rolling total. The sum of all non-fugitive PM₁₀ emissions from emission units 05, 07-12, and 14-35 shall not exceed 240 tons/yr during any consecutive twelve (12) month rolling total.

Compliance will be demonstrated by the following:

The permittee shall maintain records of the monthly PM and PM₁₀ emissions from all non-fugitive existing sources (emission units 05, 07-12 and 14-35), and summarize them on a 12-month rolling average.

SECTION E - SOURCE CONTROL EQUIPMENT REQUIREMENTS

Pursuant to 401 KAR 50:055, Section 2(5), at all times, including periods of startup, shutdown and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Division which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.

SECTION F - MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS

1. Pursuant to Section 1b (IV)1 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26, when continuing compliance is demonstrated by periodic testing or instrumental monitoring, the permittee shall compile records of required monitoring information that include:
 - a. Date, place as defined in this permit, and time of sampling or measurements;
 - b. Analyses performance dates;
 - c. Company or entity that performed analyses;
 - d. Analytical techniques or methods used;
 - e. Analyses results; and
 - f. Operating conditions during time of sampling or measurement.
2. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality [Sections 1b(IV) 2 and 1a(8) of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
3. In accordance with the requirements of 401 KAR 52:020 Section 3(1)h the permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times:
 - a. Enter upon the premises to inspect any facility, equipment (including air pollution control equipment), practice, or operation;
 - b. To access and copy any records required by the permit;
 - c. Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements.Reasonable times are defined as during all hours of operation, during normal office hours; or during an emergency.
4. No person shall obstruct, hamper, or interfere with any Cabinet employee or authorized representative while in the process of carrying out official duties. Refusal of entry or access may constitute grounds for permit revocation and assessment of civil penalties.
5. Summary reports of any monitoring required by this permit, other than continuous emission or opacity monitors, shall be submitted to the Regional Office listed on the front of this permit at least every six (6) months during the life of this permit, unless otherwise stated in this permit. For emission units that were still under construction or which had not commenced operation at the end of the 6-month period covered by the report and are subject to monitoring requirements in this permit, the report shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation [Section 1b (V)1 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].

SECTION F - MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

6. The semi-annual reports are due by January 30th and July 30th of each year. All reports shall be certified by a responsible official pursuant to 401 KAR 52:020 Section 23. All deviations from permit requirements shall be clearly identified in the reports.
7. In accordance with the provisions of 401 KAR 50:055, Section 1 the owner or operator shall notify the Regional Office listed on the front of this permit concerning startups, shutdowns, or malfunctions as follows:
 - a. When emissions during any planned shutdowns and ensuing startups will exceed the standards notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 - b. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards, notification shall be made as promptly as possible by telephone (or other electronic media) and shall submit written notice upon request.
8. The owner or operator shall report emission related exceedances from permit requirements including those attributed to upset conditions (other than emission exceedances covered by Section F.7. above) to the Regional Office listed on the front of this permit within *30 days*. Other deviations from permit requirements shall *be included in the semiannual report required by Section F.6* [Section 1b (V) 3, 4. of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
9. Pursuant to 401 KAR 52:020, Permits, Section 21, the permittee shall annually certify compliance with the terms and conditions contained in this permit, by completing and returning a Compliance Certification Form (DEP 7007CC) (or an alternative approved by the regional office) to the Regional Office listed on the front of this permit and the U.S. EPA in accordance with the following requirements:
 - a. Identification of the term or condition;
 - b. Compliance status of each term or condition of the permit;
 - c. Whether compliance was continuous or intermittent;
 - d. The method used for determining the compliance status for the source, currently and over the reporting period.
 - e. For an emissions unit that was still under construction or which has not commenced operation at the end of the 12-month period covered by the annual compliance certification, the permittee shall indicate that the unit is under construction and that compliance with any applicable requirements will be demonstrated within the timeframes specified in the permit.

SECTION F - MONITORING, RECORD KEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

- f. The certification shall be postmarked by January 30th of each year. Annual compliance certifications should be mailed to the following addresses:

Division for Air Quality
Frankfort Regional Office
643 Teton trail, Suite B
Frankfort, KY 40601-1758

U.S. EPA Region IV
Air Enforcement Branch
Atlanta Federal Center
61 Forsyth St.
Atlanta, GA 30303-8960

Division for Air Quality
Central Files
803 Schenkel Lane
Frankfort, KY 40601

10. In accordance with 401 KAR 52:020, Section 22, the permittee shall provide the Division with all information necessary to determine its subject emissions within thirty (30) days of the date the KYEIS emission survey is mailed to the permittee.
11. Pursuant to Section VII (3) of the policy manual of the Division for Air Quality as referenced in 401 KAR 50:016, Section 1(1), results of performance test(s) required by the permit shall be submitted to the Division by the source or its representative within forty-five days after the completion of the fieldwork.

SECTION G - GENERAL PROVISIONS

(a) General Compliance Requirements

1. The permittee shall comply with all conditions of this permit. Noncompliance shall be a violation of 401 KAR 52:020 and of the Clean Air Act and is grounds for enforcement action including but not limited to termination, revocation and reissuance, revision or denial of a permit [Section 1a, 3 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020 Section 26].
2. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance, shall not stay any permit condition [Section 1a, 6 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
3. This permit may be revised, revoked, reopened and reissued, or terminated for cause in accordance with 401 KAR 52:020, Section 19. The permit will be reopened for cause and revised accordingly under the following circumstances:
 - a. If additional applicable requirements become applicable to the source and the remaining permit term is three (3) years or longer. In this case, the reopening shall be completed no later than eighteen (18) months after promulgation of the applicable requirement. A reopening shall not be required if compliance with the applicable requirement is not required until after the date on which the permit is due to expire, unless this permit or any of its terms and conditions have been extended pursuant to 401 KAR 52:020, Section 12;
 - b. The Cabinet or the U. S. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements;
 - c. The Cabinet or the U. S. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit;

Proceedings to reopen and reissue a permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists. Reopenings shall be made as expeditiously as practicable. Reopenings shall not be initiated before a notice of intent to reopen is provided to the source by the Division, at least thirty (30) days in advance of the date the permit is to be reopened, except that the Division may provide a shorter time period in the case of an emergency.

4. The permittee shall furnish information upon request of the Cabinet to determine if cause exists for modifying, revoking and reissuing, or terminating the permit; or compliance with the conditions of this permit [Section 1a, 7,8 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
5. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such facts or corrected information to the permitting authority [401 KAR 52:020, Section 7(1)].

SECTION G - GENERAL PROVISIONS (CONTINUED)

6. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit [Section 1a, 14 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
7. The permittee shall not use as a defense in an enforcement action the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance [Section 1a, 4 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
8. Except for requirements identified in this permit as state-origin requirements, all terms and conditions shall be enforceable by the United States Environmental Protection Agency and citizens of the United States [Section 1a, 15 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
9. This permit shall be subject to suspension if the permittee fails to pay all emissions fees within 90 days after the date of notice as specified in 401 KAR 50:038, Section 3(6) [Section 1a, 10 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
10. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance [401 KAR 52:020, Section 11(3)(b)].
11. This permit does not convey property rights or exclusive privileges [Section 1a, 9 of the *Cabinet Provisions and Procedures for Issuing Title V Permits* incorporated by reference in 401 KAR 52:020, Section 26].
12. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by the Kentucky Cabinet for Natural Resources and Environmental Protection or any other federal, state, or local agency.
13. Nothing in this permit shall alter or affect the authority of U.S. EPA to obtain information pursuant to Federal Statute 42 USC 7414, Inspections, monitoring, and entry [401 KAR 52:020, Section 11(3)(d)].
14. Nothing in this permit shall alter or affect the authority of U.S. EPA to impose emergency orders pursuant to Federal Statute 42 USC 7603, Emergency orders [401 KAR 52:020, Section 11(3)(a)].
15. This permit consolidates the authority of any previously issued PSD, NSR, or Synthetic Minor source preconstruction permit terms and conditions for various emission units and incorporates all requirements of those existing permits into one single permit for this source.

SECTION G - GENERAL PROVISIONS (CONTINUED)

16. Pursuant to 401 KAR 52:020, Section 11, a permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of issuance. Compliance with the conditions of a permit shall be considered compliance with:
 - (a) Applicable requirements that are included and specifically identified in the permit and
 - (b) Non-applicable requirements expressly identified in this permit.
- (b) Permit Expiration and Reapplication Requirements
 1. This permit shall remain in effect for a fixed term of five (5) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division [401 KAR 52:020, Section 12].
 2. The authority to operate granted shall cease to apply if the source fails to submit additional information requested by the Division after the completeness determination has been made on any application, by whatever deadline the Division sets [401 KAR 52:020 Section 8(2)].
- (c) Permit Revisions
 1. A minor permit revision procedure may be used for permit revisions involving the use of economic incentive, marketable permit, emission trading, and other similar approaches, to the extent that these minor permit revision procedures are explicitly provided for in the SIP or in applicable requirements and meet the relevant requirements of 401 KAR 52:020, Section 14(2).
 2. This permit is not transferable by the permittee. Future owners and operators shall obtain a new permit from the Division for Air Quality. The new permit may be processed as an administrative amendment if no other change in this permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility coverage and liability between the current and new permittee has been submitted to the permitting authority within ten (10) days following the transfer.
- (d) Construction, Start-Up, and Initial Compliance Demonstration Requirements

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the construction of the equipment described herein: *Cyclones #3 and #4 for Emissions Units 14 –20, and 21-25, 32 of this permit.*

 1. Construction of any process and/or air pollution control equipment authorized by this permit shall be conducted and completed only in compliance with the conditions of this permit.

SECTION G - GENERAL PROVISIONS (CONTINUED)

2. Within thirty (30) days following commencement of construction and within fifteen (15) days following start-up and attainment of the maximum production rate specified in the permit application, or within fifteen (15) days following the issuance date of this permit, whichever is later, the permittee shall furnish to the Regional Office listed on the front of this permit in writing, with a copy to the Division's Frankfort Central Office, notification of the following:
 - a. The date when construction commenced.
 - b. The date of start-up of the affected facilities listed in this permit.
 - c. The date when the maximum production rate specified in the permit application was achieved.
3. Pursuant to 401 KAR 52:020, Section 3(2), unless construction is commenced within eighteen (18) months after the permit is issued, or begins but is discontinued for a period of eighteen (18) months or is not completed within a reasonable timeframe then the construction and operating authority granted by this permit for those affected facilities for which construction was not completed shall immediately become invalid. Upon written request, the Cabinet may extend these time periods if the source shows good cause.
4. For those affected facilities for which construction is authorized by this permit, a source shall be allowed to construct with the proposed permit. Operational or final permit approval is not granted by this permit until compliance with the applicable standards specified herein has been demonstrated pursuant to 401 KAR 50:055. If compliance is not demonstrated within the prescribed timeframe provided in 401 KAR 50:055, the source shall operate thereafter only for the purpose of demonstrating compliance, unless otherwise authorized by Section I of this permit or order of the Cabinet.
5. This permit shall allow time for the initial start-up, operation, and compliance demonstration of the affected facilities listed herein. However, within sixty (60) days after achieving the maximum production rate at which the affected facilities will be operated but not later than 180 days after initial start-up of such facilities, the permittee shall conduct a performance demonstration on the affected facilities in accordance with 401 KAR 50:055, General compliance requirements.
6. Terms and conditions in this permit established pursuant to the construction authority of 401 KAR 51:017 or 401 KAR 51:052 shall not expire.

(e) Acid Rain Program Requirements

If an applicable requirement of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act) is more stringent than an applicable requirement promulgated pursuant to Federal Statute 42 USC 7651 through 7651o (Title IV of the Act), both provisions shall apply, and both shall be state and federally enforceable.

SECTION G - GENERAL PROVISIONS (CONTINUED)

(f) Emergency Provisions

1. Pursuant to 401 KAR 52:020 Section 24(1), an emergency shall constitute an affirmative defense to an action brought for the noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or relevant evidence that:
 - a. An emergency occurred and the permittee can identify the cause of the emergency;
 - b. The permitted facility was at the time being properly operated;
 - c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
 - d. Pursuant to 401 KAR 52:020, 401 KAR 50:055, and KRS 224.01-400, the permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division when emission limitations were exceeded due to an emergency. The notice shall include a description of the emergency, steps taken to mitigate emissions, and corrective actions taken.
 - e. This requirement does not relieve the source of other local, state or federal notification requirements.
2. Emergency conditions listed in General Condition (f)1 above are in addition to any emergency or upset provision(s) contained in an applicable requirement [401 KAR 52:020, Section 24(3)].
3. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof [401 KAR 52:020, Section 24(2)].

(g) Risk Management Provisions

1. The permittee shall comply with all applicable requirements of 401 KAR Chapter 68, Chemical Accident Prevention, which incorporates by reference 40 CFR Part 68, Risk Management Plan provisions. If required, the permittee shall comply with the Risk Management Program and submit a Risk Management Plan to:

RMP Reporting Center
P.O. Box 3346
Merrifield, VA, 22116-3346

2. If requested, submit additional relevant information to the Division or the U.S. EPA.

SECTION G - GENERAL PROVISIONS (CONTINUED)

(h) Ozone depleting substances

1. The permittee shall comply with the standards for recycling and emissions reduction pursuant to 40 CFR 82, Subpart F, except as provided for Motor Vehicle Air Conditioners (MVACs) in Subpart B:
 - a. Persons opening appliances for maintenance, service, repair, or disposal shall comply with the required practices contained in 40 CFR 82.156.
 - b. Equipment used during the maintenance, service, repair, or disposal of appliances shall comply with the standards for recycling and recovery equipment contained in 40 CFR 82.158.
 - c. Persons performing maintenance, service, repair, or disposal of appliances shall be certified by an approved technician certification program pursuant to 40 CFR 82.161.
 - d. Persons disposing of small appliances, MVACs, and MVAC-like appliances (as defined at 40 CFR 82.152) shall comply with the recordkeeping requirements pursuant to 40 CFR 82.166
 - e. Persons owning commercial or industrial process refrigeration equipment shall comply with the leak repair requirements pursuant to 40 CFR 82.156.
 - f. Owners/operators of appliances normally containing 50 or more pounds of refrigerant shall keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR 82.166.
2. If the permittee performs service on motor (fleet) vehicle air conditioners containing ozone-depleting substances, the source shall comply with all applicable requirements as specified in 40 CFR 82, Subpart B, *Servicing of Motor Vehicle Air Conditioners*.

SECTION H - ALTERNATE OPERATING SCENARIOS

NA

SECTION I - COMPLIANCE SCHEDULE

NA